27th November 1928]

Mr. C. V. Venkataramana Ayyangar :—" May I know whether any understanding, if not a final understanding at least a temporary understanding, has been arrived at regarding the sale of the factory ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" No, Sir."

Mr. C. V. Venkataramana Ayyangar :—" Is it the idea to sell the Government interests alone or the whole factory ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" No decision has been arrived at."

Mr. A. Kaleswara Rao :—" How long will these people continue to supervise ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" As long as they please."

Transfer of the management of the Carnatic Paper Mills to the South Indian Trading and Industrial Corporation.

*700-A Q.—Mr. C. Ramasomayajulu : Will the hon. the Minister for Development be pleased to state—

(*a*) whether it is a fact that the Government have notified that the Carnatic Paper Mills may be handed over to one Mr. Natarajan on behalf of the South Indian Trading and Industrial Corporation ;

(*b*) whether the said order is consequential upon any decision by the Government to transfer their rights to the company ;

(*c*) whether prior to the passing of such order any notice was given to the shareholders concerned or whether any meeting of the shareholders was called for with a view to know the views of the shareholders ;

(*d*) whether it is a fact that foreclosure notice was given by the Government ; and

(*e*) what action the Government have taken to give effect to the opinion of this Council as indicated by the adjournment motion carried in this House on 5th September 1928 with reference to the Carnatic Paper Mills ?

A.—(*a*) The Government have in the interests of economy allowed the representative to supervise the property of the Mills on their behalf.

(*b*) No.

(*c*) No.

(*d*) A notice has been served on the company calling upon them to pay the amount due to the Government on the several mortgages executed by the company.

(*e*) A considerable amount of capital is required to work the Mills and Government do not feel justified in advancing this amount owing to the extreme difficulty of managing a concern of such a technical character as paper manufacture and it is obvious that without competent management the concern would not be a success.

Mr. C. Ramasomayajulu :—" May I know why no meeting of the shareholders was called for and no intimation given to them ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" It is not necessary."

Mr. C. Ramasomayajulu :—" May I know whether the Government want to safeguard their interests as creditors alone but not of the shareholders or of the concern itself ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" Government thought that they should safeguard their interest first."

Mr. C. Ramasomayajulu :—" Are the Government aware that nearly 16 lakhs of rupees of the shareholders are sunk in this concern ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" May be, Sir."

Mr. C. Ramasomayajulu :—" Then why is it that no notice was given to the shareholders or the prospects of the shareholders discussed with them ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" It is no concern of the Government."

Mr. C. Ramasomayajulu :—" May I take it that it is no concern of the Government at all if the shareholders go to rack and ruin ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" Not under the State Aid to Industries Act."

Mr. A. Ranganatha Mudaliyar :—" Sir, with reference to the statement that the length of supervision will depend on the representatives pleasure, may I know whether the Government have no voice in the matter ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" Till the expiry of the period of notice."

Mr. K. V. R. Swami :—" May I know the amount that is required to run the Mills ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" Twenty lakhs."

Mr. G. Harisarvottama Rao :—" May I know whether the Government feel itself incompetent to manage a concern of this nature ? "

The hon. Mr. M. R. Seturatnam Ayyar :—" I shall say, 'not qualified' Sir."

Supervision of the Carnatic Mills by the South Indian Industrial and Trading Corporation.

*700-B Q.—Mr. K. V. R. Swami : Will the hon the Minister for Development be pleased to state—

(a) whether the Government have received any offer from the South Indian Industrial and Trading Corporation, Limited, that they would supervise the Carnatic Paper Mills, Limited, as the Agent of the Government and, if so, whether they have accepted it ;

(b) what the terms of the above offer are ;

(c) for how long the remuneration of Rs. 650 will be paid to the corporation ; and

(d) whether Government propose to work the mill ?

A.—(a) The Government have in the interests of economy allowed the representative of the Industrial and Trading Corporation, Limited, to supervise the Mills as the agent of and on behalf of Government.